



# The President's Daily Brief

*May 17, 1975*

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~~*Top Secret*~~ 25X1

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May 17, 1975

Table of Contents

Laos: The Pathet Lao reportedly are planning to foment large-scale demonstrations in Vientiane over the weekend against both the US and rightist remnants of the coalition government.  
(Page 1)

Thailand-US: Despite highly emotional demands for reprisals, the Thai government is moving cautiously to preserve its ties with the US.  
(Page 3)

Vietnam: Victory celebrations in Saigon have provided a few clues as to Hanoi's plans for the South. (Page 5)

Saudi Arabia: The Saudis have sharply cut their estimate of oil production [redacted] over the next five years. (Page 7)

25X1  
25X1X1

Nationalist China: [redacted]  
[redacted] (Page 8)

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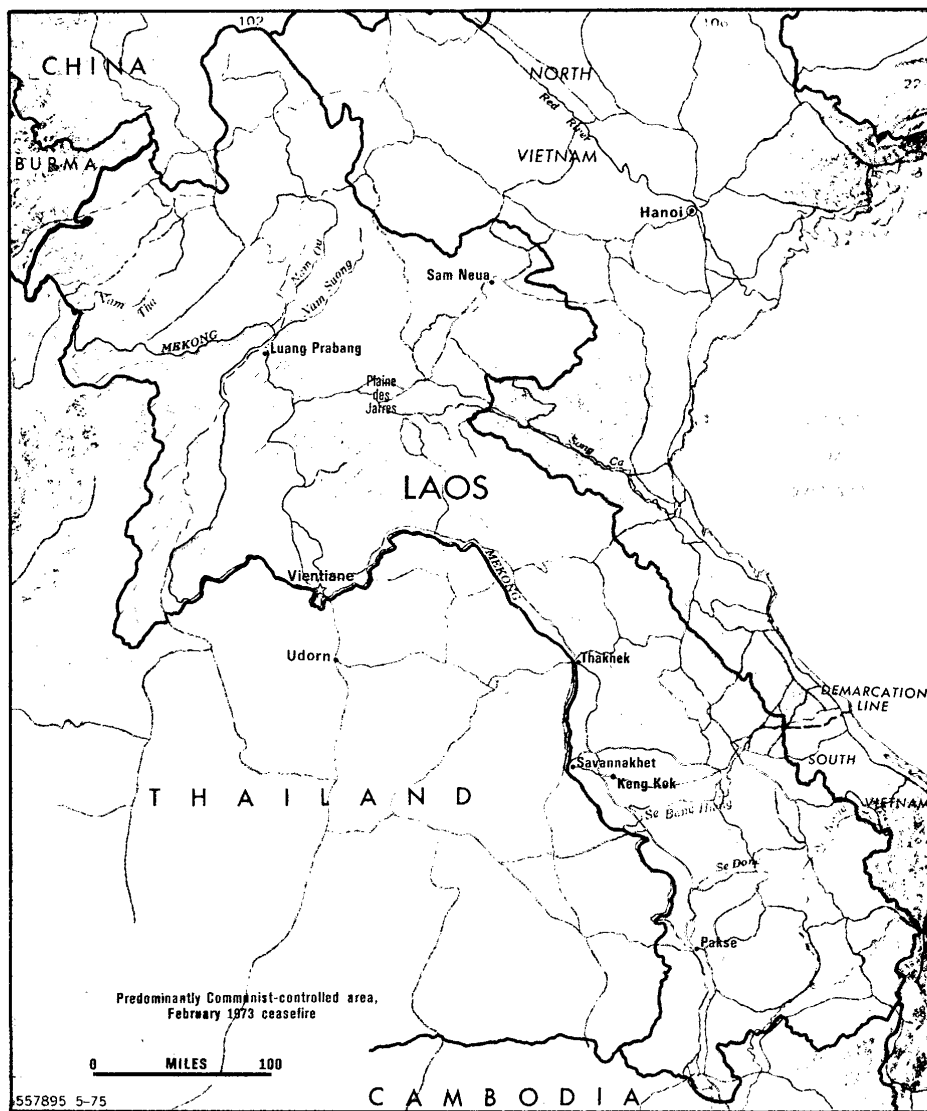
Portugal: The new unitary labor law has encouraged the Socialists to challenge the Communists for control of the labor confederation. (Page 10)

Notes: Syria-Iraq; Romania (Page 11)

At Annex [redacted] Israeli and Arab concern over what each perceives as ominous moves by the other.

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## LAOS

*The Pathet Lao reportedly are planning to foment large-scale demonstrations in Vientiane over the weekend against both the US and rightist remnants of the coalition government. The protests may culminate in a "mass rally" on Monday--Ho Chi Minh's birthday.*

A senior Pathet Lao coalition official has been attempting to persuade a number of non-communist groups to participate in the demonstrations. He has made a strong pitch to leaders of the progressive neutralist "Young Idea's Party," the most active non-communist political party in Laos. The party is particularly influential outside urban areas. The Pathet Lao official has promised to assist with transportation and funds in order to get the party to bring large numbers of villagers into Vientiane for the rallies.

The Pathet Lao are also agitating among students, war veterans, low-level civil servants, and other non-communist urbanites. [redacted] in addition to spreading "demonstration money" around to potential participants, some 100 Pathet Lao plainclothes cadre will be on hand to "monitor" the activities of the protesters.

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At the same time, the Pathet Lao are strengthening their security forces in the Lao capital. [redacted]

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[redacted] transport aircraft earlier this week ferried some 140 Pathet Lao combat troops from the Plaine des Jarres in northern Laos to Vientiane.

Vientiane was generally calm yesterday, except for an orderly Pathet Lao - inspired demonstration by several hundred officers and men of the non-communist Royal Lao Air Force at the capital's suburban airport. The demonstrators demanded the ouster of the air force's rightist commander, General Bouathong, and a number of other senior conservative officers.

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Little information is available on the situation in major non-communist urban areas outside of Vientiane. An uneasy calm apparently prevails in the royal capital of Luang Prabang and in the southern city of Pakse. The situation in Thakhek, troubled by anti-rightist demonstrations since May 15, is unknown.

In Savannakhet, the three USAID officials seized by demonstrators on May 14 remain under "house arrest" in their private residences. Neutralist Interior Minister Pheng Phongsavan and his Pathet Lao coalition deputy were scheduled to fly to Savannakhet yesterday to negotiate the protesters' demands and to secure the Americans' release. The demonstration at Vientiane's airport prevented their departure, which is now set for today.

Meanwhile, civil disturbances were reported for the first time yesterday in yet another rightist center, the district town of Kengkok, some 20 miles east of Savannakhet.

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THAILAND-US

*Despite highly emotional demands for reprisals by the Bangkok press and various pressure groups, the Khukrit government is moving cautiously to try to preserve its ties with the US.*

In a press conference on May 16, Prime Minister Khukrit announced that Thailand was:

--presenting a protest note to Washington expressing "disquiet" that the US had acted with "contempt" toward a friend.

--recalling the Thai ambassador to the US for consultations.

--undertaking a review of all existing agreements it has with the US.

The announcement clearly reflects an effort by Khukrit to minimize the impact of the Mayaguez incident on US-Thai relations. Khukrit had been under public pressure to expel a senior US official, refuse the credentials of newly-arrived US Ambassador Whitehouse, or order the immediate withdrawal of all US forces in Thailand.

Khukrit told reporters that in the review of US-Thai agreements, consideration will be given to strengthening Thai government control over US activities at air bases in Thailand as well as to expediting the withdrawal of the remaining US forces. Khukrit implied, however, that his government would not be stampeded into making a rash decision; he said that a US force withdrawal could not be completed quickly, and that the "convenience" of both the US and Thailand must be considered. In an earlier statement, Foreign Minister Chatchai said that any review of US-Thai relations "must be done in a friendly manner."

Khukrit's announcement will buy time for him to assess the public mood before deciding what additional steps may be necessary to protect his political position. Bangkok is outwardly calm, and demonstrations yesterday were confined to two small,

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peaceful protests in front of the US embassy. Student leaders are promising a large rally today, but the turnout may be far less than they would like because the universities are on vacation.

[redacted] the Thai foreign ministry is recommending that Khukrit travel to the US soon to discuss the future of US-Thai relations [redacted]. The ministry interprets recent US official statements and the handling of the Mayaguez incident as indications that Washington no longer values its relationship with Thailand and believes that direct talks with US leaders are the only effective way to get a clear reading of US intentions. While not ruling out the suggestion, Khukrit indicated that it would be difficult for him to leave Thailand at this time.

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## VIETNAM

*Victory celebrations under way in Saigon have provided a few clues as to Hanoi's political plans for the South.*

Pham Hung, a member of the North Vietnamese Politburo and Hanoi's senior official in the South since he assumed command of COSVN in 1967, was listed first among the southern dignitaries welcoming a North Vietnamese delegation to the ceremonies. He was identified as a member of the central committee of the Vietnam Workers' Party, "secretary of the South Vietnam party organization," and "political commissar of the South Vietnam PLAF Command."

This is the first time in several years that Hung has been identified publicly. There had been some speculation that he had either been killed or had fallen out of favor with the Hanoi regime. He probably still retains his other hat as North Vietnam's first deputy premier, and his appearance in Saigon indicates that Hanoi intends to keep direct control over the southern party, government, and military apparatus.

Behind Hung, Nguyen Huu Tho--who gave the keynote address--emerges as the next man in the lineup as head of the National Front for the Liberation of South Vietnam. Tho apparently will continue to head the Front--or something closely resembling it--and probably will be in charge of forming the administrative apparatus.

Huynh Tan Phat, president of the Provisional Revolutionary Government (PRG), also delivered a major address; this suggests that the PRG will remain in business for the time being and serve as the "legal" entity with which foreign governments will establish diplomatic relations. In this regard, communist spokesmen at the ceremonies welcomed immediate recognition of the PRG by foreign capitals. Nguyen Huu Tho in fact stated that diplomatic relations between the PRG and the US would be acceptable, but added that the US would have to "fulfill its obligations under the Paris Agreement." This formulation probably means the communists would demand certain tough conditions, including the provision of US economic assistance.

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The communists thus appear to be on a "two-governments, one-policy" track. Remarks at the ceremonies suggest that Vietnam already is considered one country but that, prior to official reunification, Hanoi is thinking of an interim period to secure firm administrative and political control in the South. North Vietnamese party chief Le Duan, for example, called on the South to develop "a sound and progressive national culture," and also stated that cadre in the North should "step up socialist construction," while people in the South should "unite and build a splendid democratic national regime."

Ceremonies celebrating the victory in South Vietnam will continue in Saigon and Hanoi through Saturday. On Monday, May 19, the communists will celebrate the birthday of Ho Chi Minh, and it is possible that during those festivities additional information will be provided on the new government in the South.

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SAUDI ARABIA

*Saudi Arabia has sharply cut its estimate of oil production* [redacted]

[redacted] *over the next five years.*

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The Central Planning Organization now concludes that only 2.7 million barrels per day will be required--a 1.8-million barrel per day drop from the previous estimate. [redacted] this new Saudi figure is a good estimate of what the Saudis will need to produce.

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Actual Saudi production during the next five years, however, will almost certainly be higher. [redacted]

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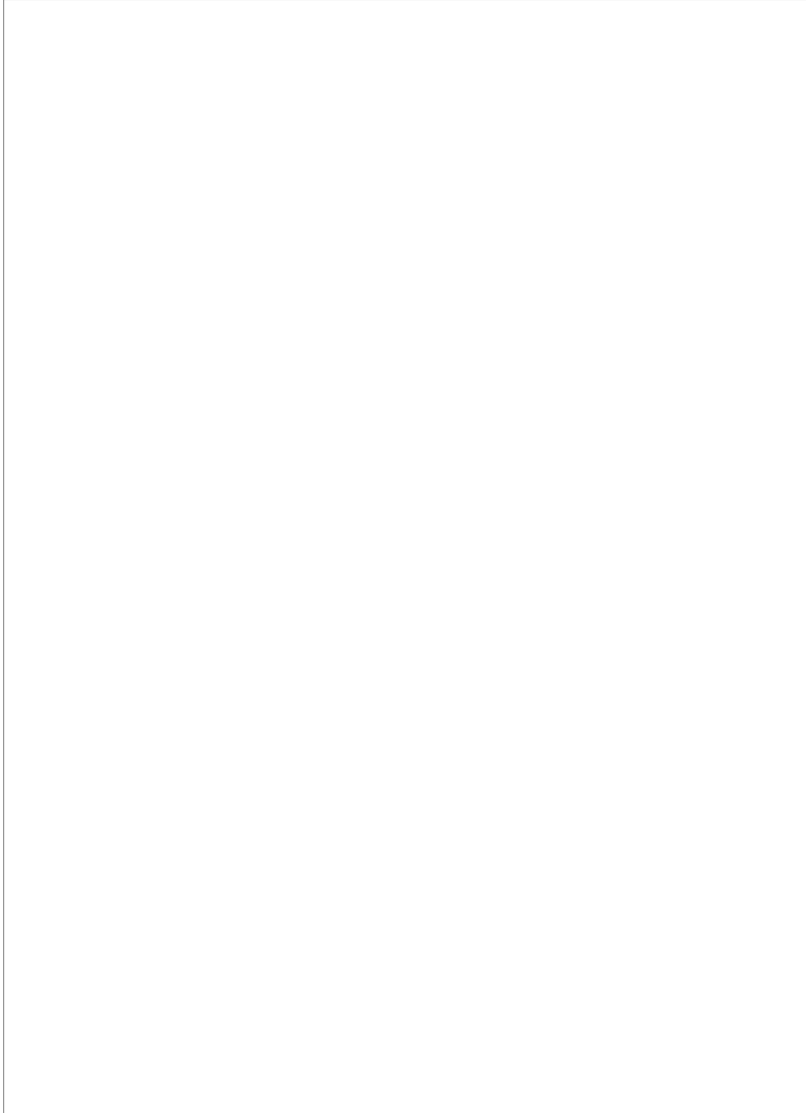
[redacted] Saudi production has already fallen to 5.7 million barrels per day, down from 9.1 million barrels per day last October. Most other OPEC states are now trying to increase output, and the Saudis may take some small additional cuts this summer to accommodate them. Large cuts--as might seem justified by the Central Planning Organization's study--are extremely unlikely.

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NATIONALIST CHINA

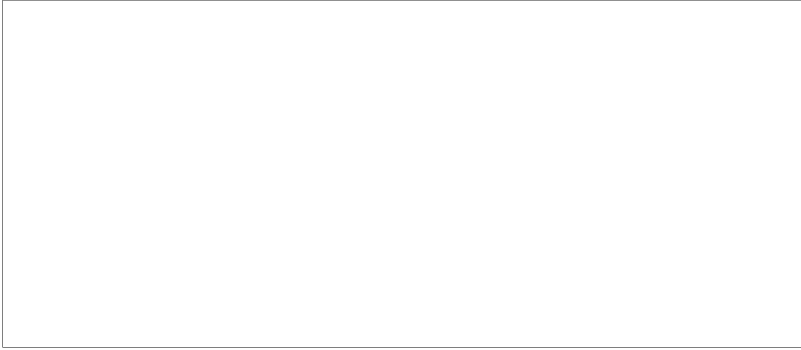


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PORTUGAL

*The long-awaited Portuguese unitary labor law was officially published this week and has encouraged the Socialists, who believe that they will be able to challenge the Communists' control of the newly legalized labor confederation.*

Instead of assuring the Communists de facto control of labor, the new law gives the Socialists the opportunity to gain some leadership positions. [redacted] the Socialists believe they have made substantial inroads into several unions and may be able to mount a serious challenge to the Communists.

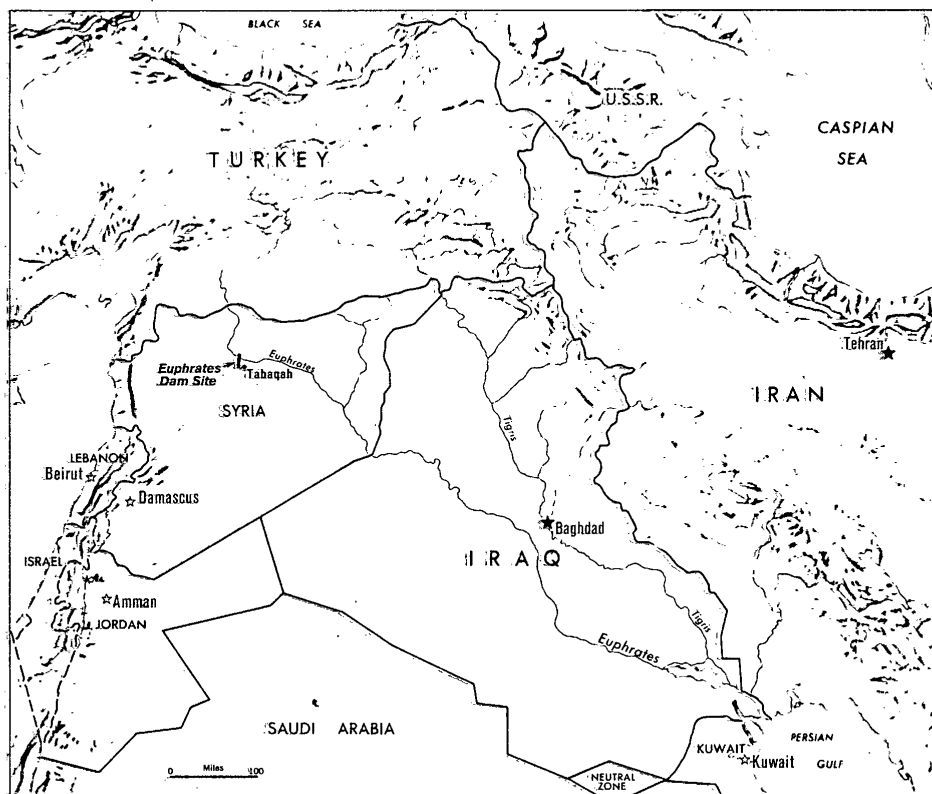
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To carry out their plans in the labor sector, however, the Socialists will have to overcome serious organizational difficulties. The party has long been a loose confederation of differing factions, causing Socialist leader Soares serious problems in simply trying to keep Marxists and social democratic elements from coming to blows.

At the Socialist Party congress last December party militants pushed the party to the left. They have also forced Soares to abandon his policy of restraint following the Socialist victory in the constituent assembly elections last month. Embassy sources report that Socialist Party militants will attempt to remove more moderate Soares supporters from the party leadership in the national secretariat elections scheduled to be held this weekend. Soares' own position is in little danger, however, because of his personal popularity.

Meanwhile, air force pilots are disgruntled following the replacement this week of General Mendes Dias as chief of staff. They feel they have been wronged by General Moraes da Silva, the new chief of staff, and by President Costa Gomes who singled them out as obstacles to "the revolutionary process." [redacted]

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NOTES

[redacted] Syria continues to restrict the flow of water from the Tabaqah Dam on the Euphrates River and [redacted] it has made preparations to defend the dam should the Iraqis decide to attack.

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[redacted] Syrian armored brigade, some 20 multiple rocket launchers, and an SA-6 site, plus several target acquisition radars, all are positioned close to the dam. Iraq has recently increased its flights along the river near the Syrian border.

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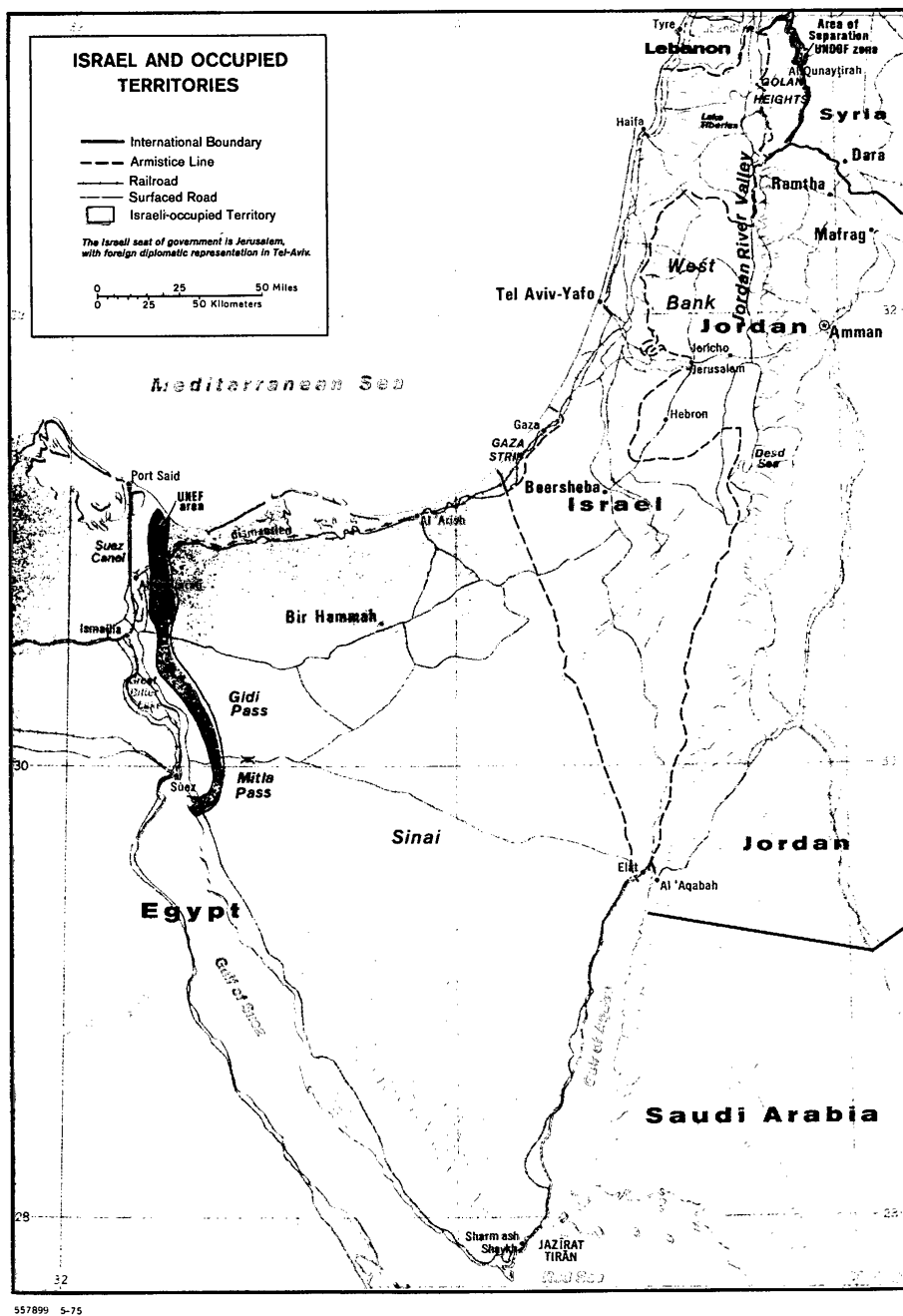
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Romania's Foreign Minister Macovescu Thursday privately expressed Bucharest's understanding of the US decision to retrieve the Mayaguez and its crew from the Cambodians.

Macovescu told the US ambassador of his "great admiration" for Washington's conduct of its affairs in Indochina in recent weeks. Macovescu's comments, while probably sincere, were also intended to counterbalance Bucharest's lip-service to Warsaw Pact solidarity earlier this week.





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## ISRAEL - ARAB STATES

*The Israelis and the Arabs are voicing concern over what each perceives as ominous moves by the other. The Egyptians are apprehensive about Israeli military maneuvers in the Sinai. Israeli Defense Minister Peres has been pointing with alarm to Jordanian army movements and indications of Jordanian military cooperation with Syria. The evidence does not support a conclusion that either side is about to initiate hostilities.*

*some military activity has taken place recently within Israel and Jordan that could be viewed as threatening.*

King Husayn and President Asad reached an understanding in early April for both military and political cooperation. This understanding, was followed by meetings

on air force cooperation and regarding air defense, employment of ground forces. Formal agreements reportedly only await the approval of the two countries' political leadership.

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[redacted]  
[redacted] Jordan has in-  
creased the state of readiness of its forces and re-  
positioned them. Among the measures [redacted]  
[redacted] are:

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--Movement of Jordanian infantry units from the  
Syrian front to forward positions on the Israeli  
front.

--Movement of Jordanian artillery to army forma-  
tions in forward positions and the turning toward  
Israel of a few batteries that had been facing  
Syria.

--Increase in Jordanian engineering activities  
in forward positions and the improvement of  
fortifications in the Jordan Valley.

--Forward deployment of two armored battalions  
[redacted] to an area between  
the battle positions of the two Jordanian in-  
fantry divisions in the Jordan Valley.

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[REDACTED] the Israelis have taken steps this week to improve their security [REDACTED] aimed at countering the possibility of terrorist attacks during Israel's independence day activities. Some Israeli reservists were recalled [REDACTED] probably for a short period and clearly not on a large scale [REDACTED] Regular troops rather than border police are patrolling Israeli beaches, a precaution to prevent terrorist landings.

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[REDACTED]

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[REDACTED]

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The Egyptians, too, are apprehensive. Much of Cairo's nervousness probably stems from recent public reports [REDACTED] that claim the Israelis have recalled reservists, that they are closing roads on the occupied-West Bank, and that they are massing troops on the borders with Jordan and Syria in preparation for another war.

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[REDACTED]

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[REDACTED]

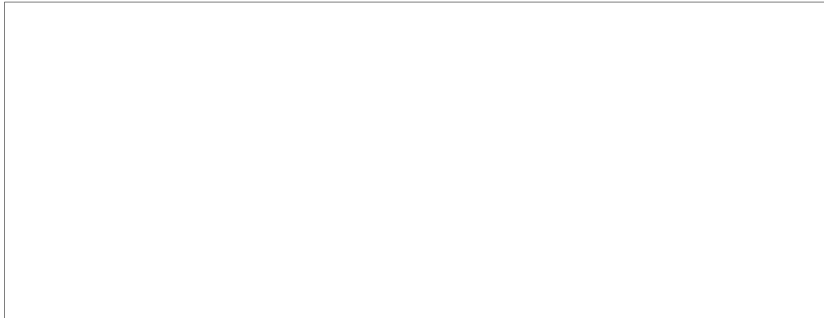
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